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ENVIRONMENT, INTERNATIONAL COMPETITIVENESS AND DEVELOPMENT: LESSONS FROM EMPIRICAL STUDIES

The policy debate on trade, environment and development

Report by the UNCTAD secretariat

A STATISTICAL ANNEX

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Introduction

1. The present annex complements report TD/B/WG.6/10, to be considered by the Ad Hoc Working Group on Trade, Environment and Development at its third session.

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2. Table 1 refers to the issues concerning the sectoral composition of exports from developing countries and economies in transition to the OECD and reflects the export shares in sectors which may be vulnerable to environmental policies (see TD/B/WG.6/10, chapter III.A). The table reflects the level of concentration of exports from developing countries and economies in transition in these sectors.[1]

3. Tables 2 and 3 provide an indication of the significance of trade in products listed in Annex D of "the Montreal Protocol on Substances that Deplete the Ozone Layer", i.e. products containing controlled substances specified in Annex A. This issue was analysed in Chapter IV B.1 of TD/B/WG.6/10. Table 2 provides an overview of trade in some of the different product categories listed in Annex D whereas table 3 identifies the largest developing country and economies in transition exporters of these products. Table 2 indicates that, in several product categories, developing country exports of products which may contain ozone depleting substances (ODS) have increased more significantly than OECD exports in the same categories. In this context, table 3 shows the exports of the largest developing country and economies in transition suppliers of products listed in Annex D. For some, the exports of Annex D products increased considerably, while for others a negative growth rate was recorded.

4. It should be noted that it is difficult to report trade data for Annex D products because only a few of these can be identified using the existing Harmonized System (HS) code numbers which are needed to identify traded products. For many products it is therefore not possible to establish whether they contain ODS without further specifying their actual composition and presentation.[2] Although the data on trade flows are subject to imprecisions on account of the difficulties in defining products containing ODS in terms of international trade statistics, they nevertheless present a meaningful indication of the magnitude of trade involved in products possibly containing ODS. Similarly, it should be noted that the reporting of trade in ODS is rendered difficult by the fact that the definition of products listed in the Annexes A,B,C and E of the Montreal Protocol is narrower than the classification of products used in the HS. This may lead to an over-estimation of the actual trade in ODS.

5. Table 4 shows the value of exports from OECD countries to developing countries and economies in transition of controlled substances as listed in Annexes A,B,C and E of the Montreal Protocol (see also Chapter IV B.1 of TD/B/WG.6/10). Although the aggregate developing-country imports decreased or stabilized over the period 1989-1993, some individual countries increased their imports of ODS significantly.

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[1] For analythical purposes and/or incomplete time series Austria, Iceland, Mexico, Norway and Turkey have not been included in the group of OECD countries.

[2] UNEP, "A note regarding the harmonized system customs code numbers for the products listed in annex D of the amended Montreal Protocol", UNEP/ozL.Pro.4/3, May 1992.

Table 1

Exports to OECD of products which are potentially vulnerable to environmental policies, 1993

(as a percentage of total exports)

	All vulnerable products	fish	wood& prod.	pulp& paper& prod.	leather &prod.	cotton, textile, & prod.	elec-tron.	selected manufactured exp. (4,5,6) as % of total manuf. exports
	1=(2to7)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Region, country or area:								
OECD	17.0	0.9	1.9	2.9	0.8	2.6	7.9	14.3
DEVELOPING COUNTRIES	31.5	2.7	2.4	0.4	3.1	12.1	10.8	42.1
SELECTED DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION								
AFRICA	14.7	2.7	2.3	0.1	0.7	8.7	0.2	47.4
CAMEROON	23.4	0.1	22.7	0.0	0.1	0.5	0.0	9.5
EGYPT	15.9	0.1	0.3	0.1	0.2	15.1	0.1	53.1
ZIMBABWE	13.4	0.0	1.0	0.0	1.8	10.4	0.2	40.4
AMERICA	19.2	3.3	1.7	1.1	2.7	5.6	4.8	27.1
ARGENTINA	16.2	8.4	0.5	0.6	5.2	0.5	1.0	28.4
BRAZIL	21.3	0.8	3.8	3.7	9.6	2.1	1.3	27.1
CHILE	24.5	10.8	8.1	4.5	0.3	0.7	0.1	3.2
COLOMBIA	10.0	1.9	0.1	0.2	1.1	6.7	0.0	40.1
COSTA RICA	31.4	2.5	0.4	0.3	0.5	27.5	0.2	70.7
JAMAICA	33.3	0.6	0.2	0.0	0.3	31.9	0.3	90.4
ASIA	36.2	2.7	2.8	0.2	2.3	12.5	15.7	45.4
CHINA	42.7	2.0	1.2	0.4	8.7	22.4	8.0	44.7
INDIA	33.8	4.3	0.3	0.1	4.7	23.9	0.5	36.8
INDONESIA	41.0	4.6	14.2	0.4	6.5	12.0	3.3	45.9
MALAYSIA	47.1	0.9	13.0	0.1	0.2	5.0	27.9	45.7
PHILIPPINES	38.5	4.5	2.0	0.6	1.8	18.5	11.1	42.5
THAILAND	44.8	12.4	2.0	0.1	4.3	10.3	15.7	44.3
VIET NAM	47.3	14.7	1.2	0.0	7.9	23.5	0.0	73.8
OTHER								
POLAND	28.4	1.6	7.8	1.0	2.0	15.7	0.3	24.9
RUSSIAN FED.	11.7	4.7	5.2	0.8	0.3	0.7	0.0	3.3
TURKEY	44.1	0.6	0.2	0.1	0.3	41.4	1.5	59.0

Source: UNCTAD secretariat calculations based on COMTRADE.

Note: The individual countries for which data are provided are those which are included in the group of case studies on trade and environment under the UNCTAD/UNDP project INT/92/207 and the UNCTAD/UNEP project INT/93/A48.

Table 2

OECD imports of selected products as listed in Annex D of the Montreal Protocol which possibly contain ozone depleting substances, 1993

(millions of dollars and percentages)

Imports from:	World		OECD		Developing countries		of which:					
							Africa		America		ASIA[1]	
	value	AAGR	value	AAGR	value	AAGR	value	AAGR	value	AAGR	value	AAGR
Selected prodcts:												
- Air conditioning machines.	2458.3	7.0	1835.1	5.8	617.4	11.1	0.9	-36.9	89.0	-5.1	525.7	16.0
- Refrigerators, household type.	3000.5	6.7	2420.4	5.5	407.3	13.5	10.5	67.8	132.1	22.6	184.0	18.3
- Other refrigerators or freezing equipm.	1166.3	-0.4	1059.6	-2.1	100.7	37.2	0.1	-8.0	8.4	16.0	92.0	40.7
- Paints & varnishes.	3243.6	5.6	3211.6	5.6	26.1	8.0	0.1	11.4	2.8	0.6	20.1	5.8
- Surface active agents.	1458.2	6.5	1409.4	6.3	45.4	14.0	0.1	16.8	23.7	27.5	20.6	8.1
- Washing & cleaning preparations.	1745.9	12.7	1695.3	12.3	47.9	33.5	0.3	11.4	22.9	144.3	22.6	17.0
- Tubes,pipes & hoses of plastic.	1534.8	5.0	1450.4	4.7	78.1	11.7	0.2	-16.3	16.8	14.3	57.6	10.9
- Pre-polymers.	29345.9	0.9	27152.9	0.5	1390.7	3.7	4.0	-11.9	46.3	-2.8	999.0	7.8
Memo item:												
All Manufactured products (SITC Rev.3: 5 to 8)	1891736.4	3.7	1456820.0	2.3	386839.8	8.8	11789.8	-0.3	60293.3	5.3	307454.0	10.6

Source: UNCTAD Secretariat calculations based on COMTRADE.

Notes: AAGR = annual average growth rate over the period 1989-1993.
The data recorded in this table are for products which may or may not contain controlled substances. The numbers given should therefore be used as a guide and further verification is needed to establish whether or not the products contain controlled substances (see also, UNEP/OzL.Pro.4/3). [1]Excluding oceania.

Table 3

Growth in OECD imports from selected suppliers of products listed in Annex D of the Montreal Protocol

(million dollars and percentages)

Imports from:	products listed in Annex D (1993)	AAGR 1989-1993	Manufactured products (1993)	AAGR 1989-1993
THAILAND	322.9	60.4	16815.0	19.7
CHINA	1015.2	41.3	72763.5	28.3
INDONESIA	56.5	37.4	12388.0	25.2
SOUTH AFRICA	42.1	24.2	5536.1	-1.3
MALAYSIA	284.9	23.7	20384.7	27.3
HUNGARY	309.7	22.4	4859.6	16.1
INDIA	44.3	21.5	12412.2	10.9
PHILIPPINES	34.9	21.3	7599.3	15.0
POLAND	139.8	16.7	7844.5	24.3
MEXICO	622.6	11.1	34244.4	12.9
TURKEY	104.7	9.6	7400.5	8.0
KOREA REP.	949.0	9.4	39894.4	-1.6
ISRAEL	402.2	7.5	9155.8	6.6
COLOMBIA	46.2	6.6	1129.9	8.1
RUSSIAN FED.	78.7	0.0	8300.3	0.0
SLOVENIA	128.9	0.0	3831.9	0.0
CROATIA	136.6	0.0	1793.0	0.0
TAIW.P.OF CHINA	1344.4	-0.4	50217.2	1.8
HONG KONG	222.4	-1.6	25355.4	1.9
NETH.ANTILLES	92.9	-7.0	61.3	-3.2
SINGAPORE	222.2	-9.0	25712.4	12.5
BRAZIL	542.1	-9.2	11057.5	-3.7
SAUDI ARABIA	371.8	-12.9	1863.2	5.0
VENEZUELA	361.0	-16.8	1111.3	-3.7

Source: UNCTAD secretariat calculations based on COMTRADE.

Notes: AAGR = annual average growth rate over the period 1989-1993; Manufactured products (SITC Rev.3, 5 to 8)

Table 4

OECD exports of ozone depleting substances
(as listed in Annexes A,B,C & E of the Montreal Protocol)
to selected regions and countries

(thousands of dollars and percentages)

CFCs and HCFCs			METHYL BROMIDE			Other ODS[1]		
	value (1993)	AAGR 1989-1993		value (1993)	AAGR 1989-1993		value (value)	AAGR 1989-1993
WORLD	487070.8	7.4	WORLD	291248.3	2.0	WORLD	333942.5	-8.4
OECD	343007.5	14.7	OECD	231813.7	6.1	OECD	224260.1	-10.0
DEVG	134534.7	-1.8	DEVG	50171.4	-9.8	DEVG	103998.3	0.5
by region:			by region:			by region:		
AFRICA	11847.6	-4.8	AFRICA	3435.1	-4.7	AFRICA	2903.3	-10.2
AMERICA	17312.2	7.3	AMERICA	17960.8	0.7	AMERICA	33190.6	-6.0
ASIA	104257.9	-1.4	ASIA	28407.4	-14.7	ASIA	66331.3	5.4
Selected countries:			Selected countries:			Selected countries:		
SINGAPORE	15816.8	8.2	MEXICO	10379.6	13.0	CHINA	20442.8	62.2
CHINA	14620.1	29.8	SOUTH AFRICA	7525.4	6.2	MEXICO	13661.2	-14.2
SAUDI ARABIA	8920.1	-4.4	KOREA REP.	7408.0	-11.3	KOREA REP.	11495.8	-6.4
TAIWAN,P.CHINA	8876.5	-15.0	TAIWAN,P.CHINA	4328.8	-14.8	BRAZIL	11073.2	6.3
HONG KONG	8842.1	7.7	TURKEY	3604.7	60.2	SINGAPORE	8952.3	-4.0
KOREA REP.	8784.2	-16.7	SINGAPORE	2689.2	-29.1	INDIA	7092.4	22.4
THAILAND	7001.6	-0.5	THAILAND	2510.6	-15.9	TAIWAN,P.CHINA	4978.4	-14.5
MALAYSIA	6402.1	7.8	BRAZIL	2267.2	0.1	HONG KONG	4823.3	20.4
MEXICO	4665.1	2.8	MALAYSIA	2225.8	-3.1	SOUTH AFRICA	2890.9	-29.3
TURKEY	3577.9	0.5	COSTA RICA	1154.0	-3.6	VENEZUELA	2552.6	-9.7
INDONESIA	3234.7	2.6	PHILIPPINES	893.8	-17.4	ARGENTINA	2374.5	14.3
POLAND	3125.0	-11.3	INDONESIA	868.2	-19.4	THAILAND	1625.0	-10.9
PHILIPPINES	3051.9	-8.3	ARGENTINA	866.6	14.7	INDONESIA	1539.7	13.9
UNTD ARAB EMIR.	2785.2	-9.1	CHINA	784.2	-6.2	SAUDI ARABIA	1333.9	8.2

Source: UNCTAD secretariat calculations based on COMTRADE.

Notes: AAGR = annual average growth rate over the period 1989-1993;
In some cases it is not possible to separately identify ODS substances in terms of existing tariff schedules. This may lead to an over-estimation of trade flows. The World Customs Organization is presently working on a revision of the Harmonized System (HS) tariff schedule which would allow for a more detailed identification of trade in ODS.
[1] For example Carbon tetrachloride and 1,1,1-trichloroethane.